

SELLING TO CUSTOMS AND EXCISE : Guidance 11

WHAT THIS GUIDANCE IS ABOUT

Customs and Excise are issuing this guidance to help businesses interested in supplying us for the first time or expanding existing business with us.

This guidance:

- gives a brief description of the purchasing organisation within Customs and Excise;
- explains the role of the Departmental Purchasing Unit (DPU);
- lists some of the goods and services we buy;
- contains details of relevant contact points;
- outlines the typical purchasing cycle;
- advises you on what you can expect from us and what we shall expect from you in return; and
- gives information on our environmental and prompt payment policies, as well as our strategy on the employment of consultants.

Customs and Excise: Our business

Customs and Excise are responsible for collecting and managing VAT and Excise duties; collecting Customs duties and agricultural levies on behalf of the European Union; and compiling trade statistics. We are also responsible for fighting drug trafficking and enforcing import and export controls on prohibited and restricted goods such as endangered species and illicit weapons.

How is Customs and Excise organised?

We are organised largely along regional lines with 14 Executive Units (known as Collections) throughout the United Kingdom. We also have Headquarters offices in London, Southend, Manchester and Liverpool. In all, we employ more than 20,000 people.

Our purchasing policy

We are committed to the Government's purchasing policy as set out in the White Paper Setting New Standards. The majority of our purchases are made through open competition. We buy goods and services which meet our needs and provide the best possible value for money, having regard to quality, quantity, delivery and whole life costs (not just the initial purchase price). Within the limits of competition and quality we aim to build working relationships with our suppliers.

How is our purchasing organised?

The DPU

Our Departmental Purchasing Unit (DPU) is a central unit responsible for departmental purchasing policy, strategy, initiating national contracts for widely used goods and services, training regional purchasing staff and overseeing all EC/GATT purchases.

The principal objectives are to ensure that:

- best purchasing practice is followed throughout Customs and Excise;
- value for money is obtained; and
- all relevant legal requirements are met.

The unit is staffed by professional buyers.

Central Purchasers

In addition to projects undertaken by the DPU, some specialist areas of purchasing, eg computers, estates contracts and vessels are handled by relevant Headquarters Divisions.

Local Purchasers

Delegation of budgets has given local managers responsibility to purchase most of their own goods and services. Locally, purchasers will draw from centrally arranged contracts, with miscellaneous general items being purchased from local or regional suppliers. To identify and meet local needs, Executive Unit and Headquarters Offices have appointed their own trained Local Purchasing Officers (LPOs).

Network

To exchange information and views amongst the DPU, central purchasers, and the LPOs, an interactive network has been established, with the common aim to obtain best value for money for all purchases.

What do we buy?

An organisation as large as Customs and Excise buys a very wide variety of goods and services. We require the whole range of general office supplies and services including:

- IT and telecommunications equipment;
- office machines;
- stationery and consumables;
- printing;
- furniture and furnishings;

- office cleaning;
- management consultancy;
- radios and ancillary equipment;
- tools;
- vehicles;
- repairs and maintenance (buildings, vehicles and equipment);
- building work.

We also require some specialised supplies and services which are more particular to Customs and Excise including:

- uniform clothing;
- testing instruments;
- measuring and sampling equipment;
- marine fittings;
- vessel construction, repair and maintenance;
- specialist search equipment;
- research and development work;
- specialist consultancy.

How do we select suppliers?

The selection process leading to the appointment of suppliers involves three main stages; pre-tender, where we identify potential suppliers, invitation, where we invite quotations from, or issue tender documents to, shortlisted potential suppliers, and Evaluation/Award where we evaluate tender responses and award contract(s).

Pre-tender

How do we find suppliers?

We use a wide range of sources to identify potential suppliers such as:

- reputation;
- visits;

- suppliers' catalogues;
- trade information;
- Yellow Pages;
- representatives/sales staff;
- trade exhibitions;
- advertising in local, national or trade press;
- existing suppliers.

For contracts that exceed the EC value threshold we will also seek interest by advertising in the Official Journal of the European Community (OJEC) and Government Opportunities. Further information on both these publications is given under 'Tendering'.

The result of each sourcing exercise is a list of suppliers to invite to quote or tender.

It is our policy not to award contracts to suppliers with an unsatisfactory compliance record in the tax and duty regimes which Customs and Excise administer. We will make enquires on your revenue compliance as part of our assessment of your suitability as a supplier.

Invitation

In making a purchase we use three main methods:

- oral quotations;
- written quotations;
- tendering.

In selecting a method, the main criterion is the likely value of a contract.

Quotations

When selecting suppliers by inviting oral or written quotations we try to be as explicit as possible about our needs, including quality, delivery, and packaging. When inviting written quotations we will send a specification, and a copy of our terms and conditions of contract.

Tendering

Tendering is a more formal process than obtaining quotations.

We try to provide clear Invitation to Tender Packages with sufficient information to enable suppliers to respond to the bid.

The Invitation to Tender Package includes instructions to tenderers, the requirements specification, technical and commercial questionnaires, and terms and conditions of contract.

Some invitation to tender projects may be conducted under the provisions of The Private Finance Initiative (PFI). PFI projects involve the private sector supplying a service which includes capital assets, ownership of the assets being retained by the supplier.

Further information on PFI can be obtained from:
Efficiency and Private Finance Unit
7th Floor East
New King's Beam House
21 Upper Ground
London SE1 9PS
Tel: 020 7865 5444

We, like other Public Authorities, are subject to a series of EC Directives which dictate the procedures we must follow when purchasing goods, services and works over certain values. Contracts whose value is expected to exceed certain threshold values have to be advertised in the OJEC. The thresholds are set by the EC and are subject to change.

The EC Directives set time limits which must be adhered to. Suppliers must respond to advertisements in the OJEC by the given date and we must allow sufficient time for completion of tenders.

As a matter of policy we also place OJEC advertisements in Government Opportunities, which is a Government publication detailing information on central government departments, and other public bodies, purchasing through open competition.

Further information on the above publications are available from:

Government Opportunities & OJEC
Business Information Publications Sales
Park House
300 Glasgow Road
Shawfield
Glasgow G73 1SQ
Tel: 0141 332 8247

In return we expect the following information from prospective suppliers:

- acknowledgment that the invitation has been received;
- a clearly written proposal that meets the requirement, provides references, specifies deliverables, and the basis of costs or fees; and
- disclosure of any conflict of interest which may influence the proposed contract.

Evaluation

The object of the evaluation process is to identify the tender or tenders which provide the best overall value for money for the particular purchase.

Our tender evaluation is strictly controlled and conducted objectively and impartially.

Evaluation and subsequent discussions with suppliers will generally identify a winning tender. Occasionally evaluation will not separate tenders and in these circumstances shortlisted bidders may be asked to provide samples or demonstrate their products or services. It may also be necessary for a visit to be arranged to the shortlisted suppliers' premises.

Award

Once a decision has been reached following evaluation of written quotations or tenders, the successful and unsuccessful supplier(s) will be informed in writing without delay. Within the boundaries of commercial confidentiality we will provide, on request, feedback to successful and unsuccessful tenderers.

Terms and Conditions

Customs and Excise seek to conduct business on our own, or on general government terms and conditions.

There are several sets of standard terms and conditions in use, covering various categories of goods and services.

Supplier relationship

Customs and Excise aim to maintain an open and collaborative relationship with suppliers and potential suppliers. To do this we will endeavour to practise the highest standards of honesty, integrity, impartiality and objectivity. In all, we seek to be fair, efficient, and courteous.

In return, we will expect you to observe similar standards of integrity, professionalism, cooperation, courtesy, competence and efficiency.

We expect you to apply high ethical standards in your dealings with us. In addition, we will expect that the goods and services you supply conform to our requirements

and we expect you to deliver the right quality, the right quantity, at the right time, to the right place and to the agreed price.

Our policies are as follows:

Payment policy

The CBI have issued a prompt payment code which is widely recognised in the commercial world. Customs and Excise have adopted the principles of that code and those principles are complied with by our purchasing and accounting staff.

We are committed to pay suppliers in accordance with the terms of their contract with us. If no specific terms are agreed then we will pay 30 days from receipt of a valid invoice or from receipt of the goods/services (whichever is the later). In order to meet our contractual obligation, it is important that your invoice provides the details required for us to match it to the original order/contract. In particular, it is essential that you quote:

- costs;
- delivery charges;
- VAT; and
- any Purchase Order or Contract Number provided by us at the time the order is being placed.

If some of this information is missing, it can delay our payment to you.

Late payment

If you do not receive payment from us by the due date you should, in the first instance, contact the appropriate Departmental payment accounting centre. You do not have to put your complaint in writing, although you may of course do so if you wish, and if you do, we will send you written acknowledgement of your letter.

Introduction

Customs and Excise approve a wide variety of consultancy projects each year. With such expenditure the Department is keen to ensure that it receives full value for money, and that consultants and Customs and Excise people work together effectively. This section therefore outlines the key elements of the Department's policy towards the use of consultants and is a checklist of good practice. This section was produced in consultation with the Institute of Management Consultants and the Management Consultancies Association.

Selection process

The selection process leading to the appointment of consultants involves the same three main stages as other purchases, namely; pre-tender, invitation, evaluation/award.

The initial decision to employ consultants will follow the approval of a carefully thought out project brief. Following this decision we will follow the selection procedure previously outlined. In addition, we expect that consultants We will resolve the issue as soon as possible. If it cannot be dealt with straight away, you will be sent an interim reply in writing within 10 working days, with a full written response following any necessary investigation. If you are not satisfied with the response to any complaints about late payment you may write to the Accounts Payable Policy Division at:

HM Customs and Excise
Section 8A
Accounting Services Division
7th Floor Alexander House
21 Victoria Avenue
Southend-on-Sea
SS99 1AU

Customs and Excise complaints policy

Customs and Excise are committed to respond promptly, courteously and efficiently to complaints.

The Customs and Excise leaflet Notice 1000 Complaints and Putting Things Right - Our Code of Practice explains in more detail how to complain to Customs and Excise.

Who should I approach?

If you are interested in supplying to Customs and Excise you will find a list of contact points overleaf. The list provides details of the Departmental Purchasing Unit, central purchasing units at Headquarters locations, and our 14 Executive Units.

If you want further information on our purchasing policy or procedures for specific goods and services then your first approach should be to the appropriate contact point in this list.

If your company operates on a local or regional basis, your first approach should be the appropriate Executive Unit(s) or Headquarters location.

What can I expect?

We will endeavour to deal with any inquiry in a fair and constructive manner but we can offer no guarantees that an approach will result in your company being selected to supply us.

We do not have an approved suppliers list but some of our specialist Headquarters Units and Executive Units do keep details of potential suppliers. If you are interested in supplying on a specialist or regional basis you should contact the relevant area direct.

Environmental purchasing

Customs and Excise are committed to promoting the conservation and improvement

will only accept those projects where they are suitably qualified and able to carry them out.

Project delivery

Once appointment has been confirmed the project stage will commence and be followed by a post-implementation review.

During the project stage we will:

- appoint a senior member of staff with knowledge of the area concerned as project manager for the duration of the project, unless overriding reasons make this undesirable or impossible;
- have early discussions to promote understanding of the requirement, and brief consultants of the expected problems and concerns;
- introduce consultants to the organisation and provide access to the people whom they need to see;
- where appropriate, provide access to suitable accommodation facilities;
- enable consultants travelling on official business to use centrally agreed car hire contracts;
- ensure access to relevant systems, documentation and information;
- set up steering arrangements when needed;
- review progress at agreed stages by comparing quality of inputs and tasks performed against agreed standards; and
- confirm that consultants have been discharged of responsibility before final payment.

We will expect:

- that unless specific permission to the contrary is agreed, all information obtained during a project will be treated as confidential;
- at all times, a high professional standard of work, and where specified, the provision of the same consultant(s) through all stages of a project;
- effective communication with the project manager;

- consultants to be responsive and objective at all times;
- adoption of Customs and Excise personnel policies, office practices and Health and Safety regulations;
- practical and cost-effective recommendations resulting from interim, emerging and final reports supported, if required, by presentations;
- subject to agreement, an appropriate action plan to implement the results to include timing, sequencing, and anticipated cost of implementation; and
- in the event of Terms of Reference not being fully discharged, we would expect remedial work to be carried out at no extra cost to the Department.

of the environment. Our policy on environmental purchasing is:

- to comply with environmental legislation and regulatory requirements;
- to promote environmental awareness amongst suppliers and contractors;
- to buy less environmentally damaging products and services;
- to consider environmental factors when making buying decisions; and
- to develop awareness of environmental issues within the Department.

Where appropriate, goods and services specifications will include environmental criteria but will be purchased in the normal way through competitive tender and seeking best value for money. The Department will:

- research and follow guidance relating to the environment;
- include environmental conditions or criteria in specification and tender documents where relevant;
- evaluate specifications and tenders with appropriate weight given to environmental points; and
- encourage suppliers and contractors to support our initiative by taking their own action.

Where environmental conditions are specified, evaluation will normally take into account:

- regulatory compliance;
- environmental effects and performance measures;
- existing environmental management procedures; and

· commitment to management and process improvement.

The Department's Environmental Initiative Policy leaflet sets out the main objectives of the Environment Strategy and is available from all local offices.

Consultants

Background

The Cabinet Office Efficiency Unit published a report in August 1994 on the use of consultants in the public sector. The report encouraged all government departments to summarise their policy on the use of consultants and issue public statements of approach and standards.

Contact points for further information:

Purchasing policy and major purchasing projects:
Departmental Purchasing Unit

HM Customs & Excise Ralli Quays
3 Stanley Street
Salford M60 9LA
Tel. 0161-827-0267 Fax. 0161-827-0270

Specialist goods and services:

HM Customs & Excise Estates (Strategy) and Projects
5th Floor West New King's Beam House
22 Upper Ground
London SE1 9PJ

Major building works:

HM Customs & Excise ISD
8th Floor West Alexander House
21 Victoria Avenue
Southend on Sea SS99 1AA

Computer hardware and software, Office machines and Telecommunications equipment:

HM Customs & Excise Marine Branch
Hamilton Road Cosham
Portsmouth PO6 4PX

Vessels:

HM Customs & Excise
OSB Ralli Quays
3 Stanley Street

Salford M60 9LA

Vehicles, Radio, Scientific aids and equipment, Research and Development:

Regional Addresses:

Executive Units:

Anglia Collection Purchasing Liaison Officer HM Customs and Excise
Haven House
17 Lower Brook Street
IPSWICH IP4 1DN

London Airports Collection Purchasing Liaison Officer
HM Customs and Excise
Custom House Nettleton Road
Heathrow Airport HOUNSLOW TW6 2LA

Central England Collection Purchasing Liaison Officer
HM Customs and Excise
Two Broadway Five Ways Edgbaston
BIRMINGHAM B15 1BG

London Central Collection Purchasing Liaison Officer
HM Customs and Excise
Thomas Paine House
Angel Square Torrens Street
LONDON EC1V 1TA

Eastern England Collection Purchasing Liaison Officer
HM Customs and Excise
Bowman House
100-102 Talbot Street
NOTTINGHAM NG1 5NF

North West Collection Purchasing Liaison Officer
HM Customs and Excise
1st Floor Queens Dock
LIVERPOOL L74 4AG

National Investigation Service Purchasing Liaison Officer
HM Customs and Excise
Custom House
Lower Thames Street
LONDON EC3R 6EE

Northern England Collection Purchasing Liaison Officer
HM Customs and Excise
Custom House
39 Quayside

NEWCASTLE-UPON-TYNE NE1 3ES

Northern Ireland Collection Purchasing Liaison Officer
HM Customs and Excise Design Centre
39 Corporation Street
BELFAST BT1 3BA

Southern England Collection Purchasing Liaison Officer HM Customs and Excise
Custom House Orchard Place SOUTHAMPTON Hampshire SO14 3NS

Scotland Collection Purchasing Liaison Officer
HM Customs and Excise
44 York Place
EDINBURGH EH1 3JW

Thames Valley Collection Purchasing Liaison Officer
HM Customs and Excise Eaton Court
104-112 Oxford Road
READING Berkshire RG1 7FU

Purchasing Liaison Officer
HM Customs & Excise Corporate Services Group
Alexander House
21 Victoria Avenue
Southend on Sea SS99 1AA

Purchasing Liaison Officer
HM Customs & Excise Corporate Services Group
Queens Dock 4SE
Liverpool L74 4AA

Purchasing Liaison Officer
HM Customs & Excise Corporate Services Group Ralli Quays
3 Stanley Street
Salford M60 9LA

If you have any comments about this guidance, or require further information, please write to:

HM Customs and Excise Departmental Purchasing Unit Policy and Professional Support Ralli Quays
3 Stanley Street
Salford M60 9LA
Tel: 0161 827 0443 Fax 0161 827 0270

South East England Collection Purchasing Liaison Officer
HM Customs and Excise
Priory Court St John's Road

DOVER Kent CT17 9SH

Wales, The West & The Borders Collection Purchasing Liaison Officer Collection
Procurement Team
HM Customs and Excise
Froomsgate House Rupert Street
BRISTOL BS1 2QP

South London & Thames Collection Purchasing Liaison Officer
HM Customs and Excise
Custom House The Terrace
GRAVESEND Kent DA12 2BW

Headquarters Offices:

Purchasing Liaison Officer
HM Customs & Excise Corporate Services Group
New King's Beam House
22 Upper Ground
London SE1 9PJ

If you need further help or advice or more copies of Customs and Excise Notices, please contact your local Customs and Excise or VAT Business Advice Centre, as appropriate. You will find this in the phone book under 'Customs and Excise'.

For VAT-registered businesses Notice 700/51 The VAT Enquiries Guide explains what sort of information and advice services we provide.

If you have a complaint which the staff at your local office or at the port or airport cannot resolve you should contact the Collector for the region. Your local office will tell you how to contact the Collector. Ask for a copy of our code of practice on complaints. If the Collector does not settle your complaint to your satisfaction, you can then ask the Adjudicator to look into it.

The Adjudicator, whose services are free, is an impartial referee whose recommendations are independent.

The address is:

The Adjudicator's Office
Haymarket House
28 Haymarket
London SW1Y 4SP
Tel: 020 7930 2292 Fax: 020 7930 2298

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